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U.S.-SOVIET RELATIONS

Harold Brown

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## PREFACE

This address was presented by Dr. Harold Brown, Chairman of the School of Advanced International Studies, Johns Hopkins Foreign Policy Institute, and former Secretary of Defense (1976-1980) at the sixth commencement exercises of the RAND Graduate School on November 12, 1988.



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## U.S.-SOVIET RELATIONS

### Commencement Address by Harold Brown

This is about my dozenth commencement address, but the first to a group of graduates all of whom are receiving their doctorates. An apology may be due to many of you for choosing as my topic U.S.-Soviet Relations--already the subject of a talk by former Ambassador Arthur Hartman earlier this fall at RGS and of a briefing at the Board meeting yesterday. But it is a matter that will play a central role in the future professional careers of those of you who will specialize in matters of national and international security. It will also significantly affect the domestic policy choices with which many of the rest of you will deal.

The immediate occasion for the opening up of possibilities for major change in relations between the U.S. and the Soviet Union is the wave of change its new generation of leadership is attempting to institute in the Soviet Union. General Secretary Gorbachev and his supporters appear strongly convinced that the Soviet system as it has operated cannot provide the basis for superpower--or even modern postindustrial--status into the 21st Century. Demographic and nationalities problems inside the Soviet Union are severe, and Eastern Europe is a potential time bomb, with extra fuses running to it from within the USSR itself. Economic stagnation and technological backwardness, lack of motivation in the work force, careerism and corruption within the party, and a declining international reputation are seen as requiring major change not only by Gorbachev's supporters but also by his domestic critics; their differences have to do with the pace and nature of the required cure. The consensus to that extent includes the military; the sidelined but still significant Marshal Ogarkov noted that economic and technical weakness cannot support

military strength. The Soviets' remaining claims to the world stature and influence--successful industrialization, military capability, and even the comforts of tenure in office--will be threatened if they increasingly lag behind the industrialized democracies economically and technologically.

The current Soviet leadership has concluded that the economy must be restructured--"perestroika"--that more incentives for managerial initiative and hard work must be provided, that more market-oriented elements must be introduced, and that economic decisionmaking must be decentralized. As part of such a change, party influence over economic decisions would have to be relaxed. Gorbachev, recognizing the massive inertia and strong self interests in the present system of the party and bureaucracy and even in the labor force, has tried to mobilize the intellectual and managerial-technological classes on behalf of change, in part by giving them more freedom to voice their views, especially those views criticizing the failures in the existing system. So far he has had substantial but not irreversible success in changing personnel, especially at or near the top; how far he can extend this down into the local party and governmental and managerial structure remains to be seen. And how workable it will be to have factory managers elected by the workers, but presidents and legislators still (whatever the alleged procedure) imposed from the top--a sort of inverted democracy the opposite of what exists in the industrialized democracies--also remains to be seen.

The foreign policy parallel to "Perestroika" is "new thinking." It appears to be based on a conclusion that military strength has, at least for the time being, reached the limits of its utility for the Soviet Union in East-West relations, and even in the Third World. This conclusion is prompted both by the Soviets' internal problems and by the effect of the U.S. military buildup and increased assertiveness that began in 1979 and accelerated sharply in the 1980s. "New thinking" is expressed in the statement that the Soviet Union's security is not advanced by making other nations feel less secure. It is accompanied by a hope of loosening the unity of American alliances in Europe and in the

Far East. "New thinking" also generates new proposals from Mr. Gorbachev monthly--if not weekly--in arms control, in political relations, and in international economic affairs. These include both general and detailed proposals on strategic nuclear forces, on conventional forces, and on political arrangements. His style has substantial appeal to publics and to many governments both in the West and in the Third World, perhaps more than in the Soviet Union and in Eastern Europe.

The long-term outcome of this wave of change is unclear. Gorbachev is likely to find the core of the Soviet system very difficult to change, and without change in that core a successful modernization is doubtful. The people who now actually get things done in the Soviet Union are largely the Communist Party functionaries. There are some very capable factory managers, but how much more responsibility they will be willing to--or be allowed to--take is unknown. Giving market forces play has short-term drawbacks, though if successful the long-term benefits are great. Unemployment and explicitly visible inflation are upsetting byproducts, as the Chinese have already discovered in their movement toward freer price structure and a more open market. Gorbachev needs to deliver some improvements to the Soviet consumer within a few years or he could fail to achieve the change in nature and efficiency of the Soviet society that he seeks. He then could go the way of Brezhnev, backing away from economic and political reform; again the brakes that the Chinese have had to apply to their reforms provide a cautionary example. Or he could go the way of Khrushchev--the "early retirement" route. For these reasons, we should not take irreversible steps that, though judgmentally justified by our expectations of Soviet actions proceeding from "new thinking," would prove dangerous if the Soviets reverse course.

All this suggests that there are limits to U.S. hopes and actions predicated on Gorbachev's success. The U.S. can probably affect internal Soviet political developments only at the margin if at all. And in the long run, Gorbachev's success might be good or bad for the United States. The Soviet Union could become a more powerful adversary or it could become more powerful but less adversarial. Will the political change that is likely to be required for a successful

modernization of the Soviet economy and its technology move the Soviets in the direction of pluralism domestically and away from expansion externally? We don't know, but it is quite possible. Moreover, for the time being, the Soviet leadership has a clear incentive to devote more resources to the production of consumer goods and a modernization of its industrial plant and its technology, with a concomitant diversion of resources from immediate military expenditure.

There may thus be an opportunity for achieving a new structure of U.S.-Soviet relations that, though still adversarial, would be less dangerous, more cooperative and stable, and oriented more toward economic, technological, and political-cultural competition; it would be less oriented toward the military and political-military elements of competition, at least for a protracted period.

The U.S. should, in our own interest, act on this opportunity, but only in a manner consistent with our own national interest. There are good reasons for us to seek a restructuring of the relationship. Though the U.S. system, unlike the Soviet system, works, it does not work nearly so well as we would like. Moreover, the changes in the U.S. relative position in the world over the past two decades leave much to be desired. In my own judgment, our relative military position has suffered less than our economic and political ones. The U.S. is now only one of several world players, though in global terms still the weightiest militarily, politically, and even economically. But many factors suggest we have much to attend to at home: declining productivity growth relative to Japan and the newly industrialized nations of East Asia as well as some European countries; a massive foreign debt; continuing budget and trade deficits accompanied by (and indeed substantially caused by) a low rate of savings and investment; a slipping lead in technology over the other industrialized democracies; disastrous decline in our system of primary and secondary education and the skills, including those of math and science, that will largely determine our future standing in many of these matters; and a decline in domestic cohesion--all suggest that we have much to attend to at home.

This tale of gloom and doom can easily be overdone. We were not without such problems before, and there are encouraging signs here and there of improvements in our responses to some of them. We are not really worse off than we were in absolute terms, but slippage in relative terms can become absolute decline. The competition, especially from our friends, is much tougher, and if we are not to see a further erosion in our relative and ultimately our absolute standard of living, our influence in the world, and our own sense of self worth, we had better start paying much more attention to these matters.

A change in the nature of the U.S.-Soviet competition thus offers an opportunity for both the U.S. and the Soviet Union to deal with serious internal problems that are not of each other's making. But what criteria should we use in deciding whether the Soviets are changing their behavior? To help answer that question let me now turn briefly to a more specific discussion of four areas: avoiding nuclear war; regional issues and alliances (which is not unconnected with the first topic); economic relations; and human rights.

Preventing nuclear war is clearly the most critical mutual interest of the U.S. and the Soviet Union. A combination of nuclear force restructuring with arms control and reduction agreements can contribute significantly to this goal. Both sides are and will continue to be overwhelmingly deterred from a nuclear attack on each other because the present and prospective forces would be fully capable of devastating retaliatory attack after a preemptive strike against them. Indeed the two sides continue to be strongly deterred from a conventional war involving combat between U.S. and Soviet forces by the substantial probability that it would escalate to a nuclear war. But maintaining deterrence at its present level of confidence is not automatic. Both well-thought-out unilateral force structure decisions and properly structured nuclear arms control and reduction agreements can increase the stability of this situation with respect to future strategic arms development and deployment (arms competition stability) and with respect to behavior in any political or military crisis (crisis stability).



The political relations between the U.S. and the Soviet Union, and the attitudes of the publics in each country toward the other, are also influenced by the course of arms control negotiations and agreements, as are the attitudes of allied publics toward the United States. Crisis control arrangements, though they can be tricky (spoofing, misinformation, and attempts to take unilateral advantage are possible problems) also need to be pursued. The hot line and its augmentation, and the individual crisis control centers in the U.S. and the Soviet Union with its direct communications are on balance clearly stabilizing. And, as indicated earlier, unilateral strategic force structure decisions on basing of retaliatory forces, fractionation of warheads, and development and possible deployment of strategic defense are at least as important determinants of the stability of the nuclear balance.

In thinking about the avoidance of nuclear war, both unilateral decisions and negotiations and agreements about the numbers, deployment, and operational procedures of *conventional* forces must also play an important role. But these in turn are inseparable from alliance matters and regional issues. The cold war began in Eastern Europe and although it was extended in later decades by our perceptions of Soviet actions in the Third World, Europe remains the focus of the military-political competition between the U.S. and the Soviet Union. Western Europe, moving toward greater economic integration, will play a political and military role more independent of the United States during the next decade. This need not be damaging to U.S. interests providing we can adjust to and influence that evolution. The Soviets have in many respects a much greater problem in Eastern Europe, because reforms in the Soviet Union are likely to produce a resonance of greater amplitude politically in Eastern Europe, where the Soviets have more difficulty in controlling what happens. We should encourage relaxation of Soviet controls over Eastern Europe, and accept (we really have no choice) Western European wishes for closer ties with Eastern Europe. Managing possible reductions and redeployments of conventional forces in Europe in a way that does not increase Soviet advantages in the conventional force balance will be a real challenge. The Soviets have said that

asymmetrical reductions are in order, and INF has provided an example of this. At the same time, however, they have claimed that there is now an overall balance, asserting that Western advantages in attack aircraft and naval forces redress Soviet superiority on the Central Front in tanks and artillery.

There is a long way to go here, and I am not sure when--if ever--we will make it to an agreement, but it is important that the U.S. and its NATO allies come up with some proposals of our own that can be presented convincingly to our own constituencies as fair instead of leaving it to the Soviets to make all of the proposals with the West, then being forced to respond in catch-up fashion. We need to see whether the Soviets are prepared to accept a balance in Europe that prevents successful conventional attack, by withdrawing or demobilizing and operationally limiting forces that could be used to that end.

East Asia is the area of the world that exhibits the greatest dynamism and economic growth. In political-military terms it is both a more complicated situation than Europe, with a greater variety of independent players--U.S., the Soviet Union, China, Japan, and the two Koreas for a start--and, oddly enough, militarily safer at present. The lack of a long land frontier with massive nuclear armed armies on the two sides (except between the USSR and the PRC) makes a U.S.-Soviet confrontation there relatively unlikely. The burning issues are primarily economic and political, and only secondarily military or even diplomatic. The USSR is seeking significantly increased influence in East Asia. So far Gorbachev's August 1986 Vladivostok speech and its sequels, proposing various new arrangements that would aid that Soviet aim, have fallen on deaf ears. Now, relations between the PRC and the USSR are likely to move toward normalization, and this may exert some pull on Japan. But so far the U.S. has managed to remain on better terms with Japan, China, and the USSR than any of them are with each other. The USSR is playing catch up here, and the most serious risk for us is that the U.S. and Japan, despite their strong mutual security interests, will fall out over economic matters if Japanese insistence on aggressive export policies collides with growing U.S. protectionist attitudes. Aside from the massive economic damage this would do to both

nations, it would offer opportunities for the Soviets to tempt Japan to closer economic and political relations.

In the Third World, the Persian Gulf/Middle East area is the most likely one for direct U.S.-Soviet conflict, because each nation has what it considers centrally important interests there--the Soviet Union by geographical propinquity and cross-border ethnic affinities, the U.S. by virtue of the reliance of the West on the energy resources of the region and by its commitment to Israel. In the recent Persian Gulf conflict, while the U.S. and the Soviet Union each tried to enhance its future influence with the belligerents, neither wished Iran to win, so they were able to follow sufficiently parallel courses to allow the war to wind down by exhaustion. That may be a useful approach for other cases where the sources of conflict are relatively separate from U.S.-Soviet competition; Africa may be another such example. Central America is different because the U.S. cannot help but regard it as our own backyard, as the Soviet Union regards Afghanistan. We will find it difficult to reach agreement in either case about not supplying arms to the contending parties. The balance of political sentiment in the United States may prevent continued supply of arms to the Contras, but not to the governments of other Central American nations concerned about Sandinista- or Cuban-aided insurgencies in their countries.

The issue of economic relations between the U.S. and the Soviet Union brings us back to the question of whether Gorbachev's success in improving the Soviet economy is in the U.S. interest. My own view is that we should not subsidize the Soviet economy, although we are already doing so in our grain sales. Regular business practice governed by market and profit considerations should represent the limit of participation by U.S. firms and banks. Most of our allies, because they view the Soviet threat differently, and also for domestic reasons--the prospect of jobs and a less threatening evaluation of Soviet intentions--will be more forthcoming than that on technology transfer and credits. They can be influenced to some degree, however, by official U.S. views. The sensible approach for the U.S. is therefore to adopt a policy on these matters that is determined as follows: in technology transfers, by western security interests--higher barriers

around narrower areas; in economic relations, by our overall judgment of Soviet behavior on regional and arms control issues and on human rights. But both of these criteria should be tempered by the need to keep our policies and those of the other industrialized democracies reasonably coherent and consistent, recognizing that the others are inherently likely to be more motivated to economic and technological cooperations with the Soviets. We can within limits influence them, and we should; we in turn must be influenced by the need to stay close enough to their views to be able to influence them.

Correspondingly, Soviet membership in international financial and trade institutions is reasonable if they are prepared to move toward the usual rules, such as disclosure of economic statistics and increased currency convertibility. Those actions won't be easy for them, but they would be evidence of Soviet good faith and an absence of disruptive intention--and they will move the Soviets toward internal economic reform.

One of the achievements of the late 1970s was the permanent placement on the international agenda of human rights issues, whether the violations be by right wing, Marxist-Leninist, or other regimes. Human rights violations in the Soviet Union are not a basis for suspending effort to try to reduce the risks of nuclear war by arms control. And our ability to influence other nations by economic actions, even if we are willing to accept the damage to ourselves by such actions, has been reduced as the U.S. has become less predominant in the world economy. Our *actions* toward other nations should be influenced most of all by the way they behave toward their neighbors. Yet our *attitude* toward them, which influences our actions, should be conditioned as well by their internal behavior on human rights issues. This and other examples of linkage in our relations with the Soviet Union are as much a matter of practical politics within the United States as they are a matter of principle.

To summarize: The environment for U.S.-Soviet relations during the rest of the century will be dominated by two factors. One is the stark choice posed to the Soviet system by its failures--either risk political instability by a radical change of the political as well as the economic

organization of the state, or accept losing superpower status, perhaps even in military terms. The second is the relative decline of U.S. weight in the world economic and political structure, even though we remain the most important single entity overall. The U.S. and USSR will remain the leading military powers, and though the limits of effectiveness of military strength in influencing the rest of the world will narrow, its utility will not disappear, nor will the danger of catastrophic war. The outcome of the winds of change sweeping the Soviet Union, even if Gorbachev succeeds in his reforms, may be beneficial or not to the rest of the world in the long run, and U.S. actions can affect that outcome only marginally. But it is reasonable to conjecture that the political pluralism that is almost certainly needed for the economic decentralization and greater efficiency Gorbachev seeks would make the Soviet Union less dangerous, even though not by any means assuring an end to expansionist tendencies.

In these circumstances, the U.S. should pursue the opportunity offered for a possible favorable change in the terms of the relationship. Clear-eyed skepticism is indicated. But that is compatible with proposals of our own on arms reduction and force dispositions, regional issues, economic and technological relations, and human rights. Such proposals should reflect our own national interests in military stability and the prevention of war, general or regional, the settlement or at least containment and moderation of regional conflicts, the growth of the world economy and world trade and the consumerization and decentralization of the Soviet economy, and the commitment to personal and political rights explicit in our own national ethos from its birth.

Gorbachev and his Soviet supporters proclaim their recognition that the U.S.-Soviet relationship is not a zero-sum situation, that there are matters on which our interests overlap if not coincide, as well as others on which they diverge or conflict. That suggests that U.S. proposals based on our own perceived interests can lead to agreement-- though not without tough bargaining, compromise, and probably occasional unilateral steps on each side.

What's in it for us? If we succeed, a greater ability to deal with our internal problems and our non-Soviet foreign political and international economic relations which, though not nearly so serious as the Soviets' systemic difficulties, urgently need attention. We must remember that a successful realignment of U.S.-Soviet relations and a more effective U.S. international posture cannot be achieved entirely by bilateral or even multilateral agreements and actions. Whether in reducing ICBM vulnerability; damping down Middle East and Persian Gulf conflicts; rebalancing burdens, risks, and benefits in our alliances with industrialized democracies or NICs; or improving our own savings and investment rates, productivity, and competitiveness in international markets--we need to take many difficult steps on our own. But we must not miss the opportunity to try for a "kinder, gentler" relationship--that's surely one element in a program leading to "good jobs at good wages." If the slogan on arms control has been "trust, but verify"--"doverai, no proverai," then on economic issues, it should be "encourage, but don't subsidize"--"po-oshch 'ryai no kar 'man ne otkry 'vai."

To conclude, in your studies at the RAND Graduate School, you have acquired skills that will be even more indispensable as aids to policy formulation and decision in the future than they have been in the past. The U.S. has less margin for error--military, political, diplomatic, or economic--than it had when it was clearly the predominant power by each of these measures instead of only the leading one overall. And domestically, because we have squandered many of our past advantages and face increasing competition across the board from abroad, we also have less room for maneuver. Weighing alternatives by some common but still valid measure will be vital to sensible decision making. But to those analyses, policymakers will have to apply wisdom. That is a far more difficult matter, not yet fully and adequately taught even in the curriculum of the RGS, and in fact not even completely assured by the vast experience and knowledge of those at the front of the room, including the honorary degree recipients and the commencement speaker.